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MTA

15th

Annual Report

1961

METROPOLITAN TRANSIT AUTHORITY

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1961





ANTHONY D. POMPEO



DANIEL TYLER, JR.

BOARD of TRUSTEES



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WILLIAM V. WARD

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WILLIAM E. RYAN
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HELEN J. BROCK

General Counsel
General Attorney
Treasurer-Comptroller
Recording Secretary

COVER: Artist's conception of a newly-purchased Pullman-Standard Rapid Transit car as it traverses Longfellow Bridge headed toward Kendall Station and the Cambridge Subway. Boston's Back Bay skyline in the background. See "New Cars" in the body of the Report for more detailed information.

15th Annual Report

(YEAR ENDED — DECEMBER 31, 1961)

of the

BOARD of TRUSTEES

of the

Metropolitan Transit Authority

BOSTON 16, MASSACHUSETTS



A Message From The Board Of Trustees

The year 1961 marked the first twelve-month period in which the Board of Trustees and the General Manager had the opportunity to work together over a full calendar period and much was accomplished.

Confidently, the Board feels that the year 1961 may be remembered for a number of significant milestones which came to pass at the MTA.

As the Greater Boston community geared itself to face new thinking, new planning, new building, new growth and new horizons, an old problem gave evidence that it could be solved to meet this shift into the promising '60's:

THE MTA DEFICIT FOR THE FIRST TIME IN SEVEN YEARS, RAN OUT OF GAS AT THE PEAK OF ITS SPIRAL, AND STARTED DOWNWARD.

This downward trend started with a significant reduction of \$945,202.05 covering the year 1961. Teamwork accomplished what for years was discouragingly described as the unattainable. The forecast for 1962 is an additional, giant cut of about five times that figure.

It has been said that mass transportation is NOT a problem unique to Metropolitan Boston. Perhaps what was unique about the problem was the community's unwillingness to face up to it.

The year 1961 saw the community looking this problem right in the eye. The Board of Trustees, encouraged by this courageous stand on the part of the community; was able to:

Readjust the Fare Structure (This brought the Authority desperately needed revenue. Somewhat surprisingly, the public accepted the readjustment. It, too, obviously recognized the justification for this change in the fare structure.)

Negotiate a Contract for the Purchase of Ninety-two New Cars for the Cambridge-Dorchester Rapid Transit Line (The fact that the Authority was given increased bond issuing power by the Legislature to finance this equipment is symbolic. It is symbolic of a new awareness of the MTA's place in community planning and the MTA's potential vitality. When the new cars are placed in service in 1962, the symbolism will become physical and real.)

Purchase One Hundred and Twenty-five New Diesel Buses (These buses are paving the way for the elimination of the trackless trolley, the outmoded vehicle that today cannot be rerouted in the event of fire or other catastrophes.)

Sign a Contract for Construction of a New MTA Headquarters Building (This structure is now rising in the Authority's Arborway yards.)

Institute Major Economies, the Most Drastic in the History of the Authority (Natural attrition, without layoffs, reduced the payroll roster by approximately 319 jobs; some poorly patronized and unnecessary routes which had remained in the timetables because of tradition were eliminated; every employee was given fair warning that a dollar's effort was expected for a dollar's reward; the entire rapid transit lines fare collection system was overhauled and completed in 1961 to insure the Authority the maximum in revenue return.)

Apply for Federal Funds to Aid Mass Transportation Studies and Pilot Projects (In this connection, the Authority was one of the first agencies in the country to make such application, blueprinting for Federal authorities a specific extension to Reading.)

Set in Motion a Civil Defense Plan (This plan has been hailed as the most advanced Civil Defense project in the area of mass transportation contemplated anywhere in the country.)

Set Up an Annual Budget (Following a conference with the Advisory Board, the Authority set up an annual budget, submitted it to the officials of the fourteen cities and towns and then wrote the Advisory Board offering to discuss any areas of the budget the latter wished to entertain.)

Continue Discussions with the Edison Company Relative to Sale of the MTA Power Plant (During the year, negotiations with the Edison Company continued in connection with the proposed sale of the MTA's South Boston and Lincoln Power Stations. Some progress was made. Some matters must be resolved. The Authority must protect the taxpayers and receive full value for these properties. Further, the human factor, involving about 100 MTA jobs must be given full consideration.)

Accelerate Disposition of Accident Claims (Pressing for improvements in this area, the Authority increased the disposition of claim cases and at less cost to the taxpayers.)

There was much more accomplished during the year and for this the reader is directed to the more detailed accounts of the report between these covers.

*To His Excellency the Governor,
to the General Court, and to the
Trustees of the Boston Metropolitan District:*

In accordance with the requirements of Chapter 544 of the Acts of 1947, as amended, the Trustees of the Metropolitan Transit Authority herewith file the fifteenth annual report of the Authority, which covers the results of operations for the calendar year 1961.

Summary Of Report

Total income of the Authority in 1961 was \$36,831,261.39. This is an increase of \$796,560.55 from the total income in 1960, or a 2.21% increase. Total cost of service in 1961 was \$57,330,843.73. This is a decrease of \$30,902.70, or a 0.05% decrease. Other profit and loss credits amounted to \$357,738.80. Under statutory formula, the resulting balance of \$20,141,843.54 which represents the excess of cost of service over income will be assessed on the fourteen cities and towns constituting the Metropolitan Transit Authority and indicates a decrease of \$945,202.05 compared to the year 1960.

Operating Expenses

During the year 1961, operating expenses, which are the expenses incurred in the actual operation of the railway, were \$49,505,369.87, as compared with \$49,703,853.55 in 1960. This is a decrease of \$198,483.68. The following table compares operating expenses in 1961 with those of 1960:

	<u>Year 1961</u>	<u>Year 1960</u>	<u>Decrease</u>
Wages	\$36,220,809.68	\$36,671,068.87	\$450,259.19
Materials, Services and other items ..	4,736,124.14	4,724,813.31	11,310.83 Inc.
Injuries and Damages	1,650,547.70	1,706,364.36	55,816.66
Depreciation	1,200,000.00	1,200,000.00	—
Fuel	1,949,581.40	1,873,808.68	75,772.72 Inc.
Power Interchange (Net)	184,155.20 Cr.	125,748.16 Cr.	58,407.04
MTA Retirement Fund	2,175,518.81	2,184,501.22	8,982.41
Health and Welfare Insurance	1,756,943.34	1,469,045.27	287,898.07 Inc.
Total Operating Expenses	<u>\$49,505,369.87</u>	<u>\$49,703,853.55</u>	<u>\$198,483.68</u>

Fixed Charges

Under the laws of the Commonwealth, as presently constituted, certain so-called fixed charges must be included as part of the cost of service. These are composed of taxes, interest on bonds, payments on funded debt and Cambridge subway rental. The following table compares these items for 1961 and 1960:

	<i>Year Ended December 31</i>	
	<u>1961</u>	<u>1960</u>
Taxes	\$1,117,844.30	\$1,134,814.40
Interest on Bonds	3,781,135.37	3,748,556.47
Payment on Funded Debt — B.M.D.	2,532,119.48	2,372,687.79
Cambridge Subway Rental	381,963.32	383,175.02
Miscellaneous Items	12,411.39	18,659.20
TOTAL	\$7,825,473.86	\$7,657,892.88

Revenue Passengers

Under the new fare structure which became effective Saturday, October 28, 1961, it is *not now possible* to determine the number of revenue passengers carried by the Authority. The new fare structure requires passengers to pay a fare on each vehicle on which they ride, consequently, most passengers pay two or more fares from point of origin to destination.

The Authority is now planning to substitute the statistic of revenue fares collected for revenue passengers carried. Obviously, it will not be possible to make comparisons on a revenue fare basis until October 28, 1962, on which date the new fare structure will have been in effect a full year.

Deficit

Unquestionably, the biggest accomplishment wrought during the year 1961 affected the Authority's deficit.

To say that the deficit was assaulted and reduced for the first time in seven years does not, by any means, tell the full story.

The deficit of the Metropolitan Transit Authority was becoming a negative state of mind. It was described as a "runaway" adjunct to the Authority's operation.

Everyone decried its annual, spiralling course, yet no one really believed that much could be done about it. Wishfully, Authority officials and the Mayors, City Managers and Selectmen of the fourteen cities and towns comprising the MTA district — while anticipating an increase in this area

from year to year — hoped that the latest deficit figure somehow would not jump appreciably over the previous deficit figure.

From 1954 through 1960, the pattern remained unbroken. The pattern set an upward course and using the seven year period 1954-1960 as a yardstick, the feverish deficit chart traced a rising path from approximately six and one-half million dollars to slightly over twenty-one million dollars.

These discouraging figures seemed to bear out a joint statement by a previous Board of Trustees in a previous annual report. The statement read: "The major difficulty besetting the Metropolitan Transit Authority can be traced to the inexorable march of rising costs and declining patronage."

Deficit — continued

Then in 1960, new Management took over. Then a keenly felt, fresh rapport between Management and the Board of Trustees began to express itself. Then a positive state of mind regarding the deficit began to permeate day-to-day Authority affairs.

Then, new Management said that the deficit increase *could* be halted. Not long thereafter, Management said that the deficit *can* be reduced. Only recently, Management said, "the deficit *has* been reduced."

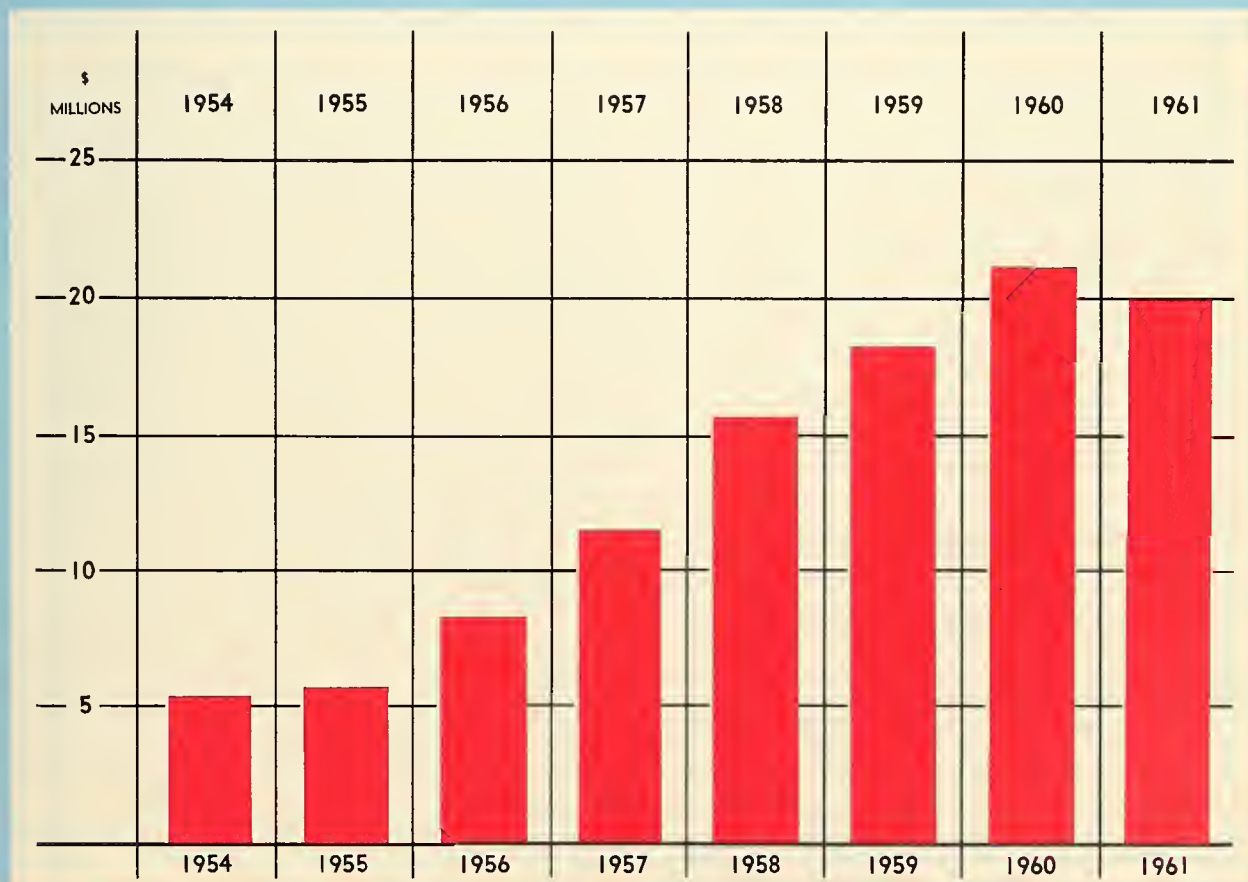
Yet, it would be naive for anyone to think that this accomplishment was brought about by happy chance or a combination of fortuitous circumstances.

All the elements, that in previous years joined

hands to push the deficit upward, were present during 1961. Indeed, Management was obliged to take into account an economy-defeating item of approximately one and one-half million dollars granted workers by arbitration and negotiations for the year 1961.

Yet, Management, working closely with the Board of Trustees, succeeded in completely neutralizing this area of increased cost.

The results speak for themselves. In 1961, the Authority served notice that the MTA deficit is no longer an unassailable spectre. It can be whittled down to palatable size. Forecast for 1962: A further reduction of about four to five million dollars.





New Cars

It was in 1961 that a combination of moves by the Legislature, the Board of Trustees and Management assured for the Authority in 1962, the biggest physical face lifting in the history of the transit system.

The move by the Legislature demonstrated as much as anything else, the faith, held by the General Court, in the future of the Metropolitan Transit Authority.

During the year, the Legislature granted the MTA increased authorization to issue bonds in the amount of five million dollars for the purchase of rapid transit cars for the Cambridge-Dorchester tunnel.

It is significant to note that the Authority has been seeking this authorization for a number of years for new equipment to replace over-aged cars on the Ashmont to Harvard Square run, equipment which in some cases is a half-century old.

It is further germane to this report to note that maintenance costs to keep this over-aged equipment in daily running order were almost prohibitive and represented an area of steadily increased spending. As equipment aged, maintenance costs mounted.

Following the Legislative green light granted the Authority, the General Manager instructed the Purchasing Department to invite bids based on

strict specifications already prepared by the Department of Rolling Stock & Shops.

Subsequently, three separate bids were submitted and opened before representatives of the bidders involved. Sometime later, the General Manager announced award of a contract for the new cars to Pullman-Standard Car Manufacturing Company of Chicago, the lowest bidder. The other bidders were the Budd Company of Philadelphia, and St. Louis Car Company of St. Louis.

The Authority, relying on its increased bond issuing authorization and other available funds, placed an order for ninety-two new cars at a total cost of \$10,097,000.00.

One spectacular feature of the new cars deals in the color scheme prepared for the exteriors. They will be painted in blue, white and gold — the Commonwealth's State colors. The first cars are due on the system in the Fall of 1962.

A description of the new cars follows: each will be of corten steel construction and will have curved side design, and accommodate approximately 325 passengers.

The cars will have fibre glass seats, incandescent lights, two-tone tile flooring of vinyl asbestos, fans calling for complete and regular changes of air, picture windows, longitudinal seats, air springs and other modern features.

Reading Extension

The year 1961 saw the Federal Government turn its attention to the mass transportation crisis in America's cities and the Metropolitan Transit Authority, immediately taking advantage of this shift in Governmental thinking, became one of the first agencies of its kind to make application for Federal funds.

Almost immediately after it was made known that grants were to be made available under the Federal Housing and Home Finance Agency, the Authority filed application for a blueprinted project entitled:

"Removal of Elevated Structure in Charlestown and Everett and Extension of Rapid Transit from North Station to Reading."

The MTA application calls for a Federal grant of \$180,000 which is two-thirds of the estimated cost of preliminary engineering and investigative work involved in the project. The Authority would provide the remaining \$90,000.

The project, now under study by the Government and described by the Authority as "the most important of all extensions at this time," would represent the first break-through by the MTA beyond the limits of its legislated geographical barriers. Even if the Federal Government does not fully participate in the cost of this project, it should be carried out to completion as soon as practicable.

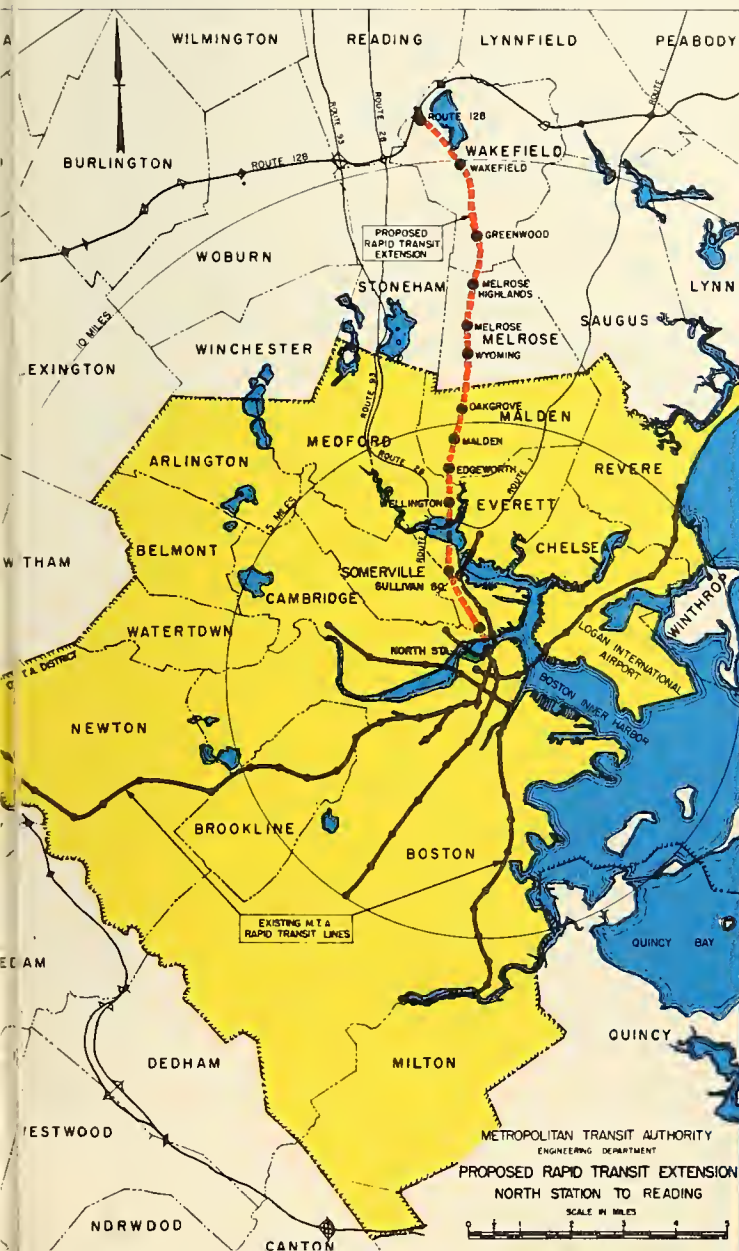
It is estimated that it will require approximately ten months to complete all engineering and investigative work. The project, bold and imaginative in its overall concept, calls for:

MTA rapid transit extension along the Boston and Maine Railroad through East Somerville, Medford, Malden, and then reaching beyond its present boundary, the extension would move into Melrose, then to Melrose Highlands, and to Wakefield, terminating at the southerly boundary of Reading at Route 128.

Highlights of the project include razing of the structure from North Station through Charlestown to the present terminal of the transit line at Everett Station and would embrace these twenty, specific points:

1. A definite route through Boston & Maine Railroad yards
2. An underground subway station near the Boston & Maine Railroad, North Station
3. A bridge or tunnel across the Charles River
4. Two stations in the North Terminal area
5. Selection of tracks to keep joint operation of both freight and rapid transit services to a minimum
6. Reconstruction of tracks, including miscellaneous right of way facilities and rehabilitation of rails, joints, special track work for transit operation
7. Signals and interlocking equipment.

Points 8 through 14 include communications, bridges, highway crossings, stations, large parking areas, removal of elevated structure and building, and new car inspection shop. The last six points cover appraised values of land to be acquired and land to be sold; comprehensive investigations regarding routes for feeder lines; investigations regarding traffic to determine number of commuters to be served; extension of design and research work of Metropolitan Transit Authority and that of



manufacturers regarding automation of train operation; research and development regarding low and high platform transit cars; preparation of a complete report setting forth all findings and conclusions.

Although studies of rapid transit automation which the MTA has been making with manufacturers will be incorporated as part of the Reading Extension project, at the very least in this respect, design of the cars will be made on the basis that they can be readily converted for automatic operation in the future, if it appears desirable.

Bonuses to be gathered as a result of detailed studies to be conducted include improved signaling techniques; refinements in acceleration and deceleration; reduction in the noise of rapid transit train operation; increased ridability of rolling stock; improved and more aesthetic design of equipment and

facilities; development of quiet track designs and greater speeds and safety techniques.

It is entirely conceivable that the project, in addition to marking a milestone in mass transportation in this area, also would provide a blueprint for a taxable rebirth of those sections wherein the elevated structure was eliminated.

The plan is ready-made for the eventual termination of railroad commuter service and is in keeping with what is now regarded as community-wide thinking on the subject of 20th century mass transportation. The thinking amounts to this:

"The existing highways, including new expressways and proposed expressways, simply will not be able to carry the anticipated vehicular traffic to Boston from the North side of the city and the area beyond at the present rate of population growth."

Fare Adjustment

Dealing in one of the Authority's most sensitive areas, the Board of Trustees, during the year 1961, faced up to a demanding problem and overhauled the system's entire fare structure.

In April, the Massachusetts Legislature enacted into law an MTA-sponsored bill calling for an increase in children's fares from five cents to one-half the adult fare and reducing the age limit from 14 to 11 years. The children's fare was set at 10 cents.

Shortly thereafter, the Board of Trustees officially voted this increase and at the same time, took the occasion to increase pupils' fares, also from five to ten cents.

The Department of Public Utilities approved these increases and on May 15, these adjustments went into effect system-wide.

It is interesting to note that the increase affecting pupils' tickets was the first upward revision in this category of riders since pupils' tickets were established in 1919.

It is of further interest to note that prior to the adjustment, children's fares on the MTA were the lowest in the entire country.

Again recognizing its responsibility under the law and aware of the need for additional revenue through the fare box, the Board of Trustees, on June 22, presented to the Advisory Board a number of proposals covering a general fare increase.

The Trustees recommended a modified zone

fare briefly amounting to a 10-cent fare for a surface ride and a 20-cent fare for a rapid transit ride, and so voted this revision. Transfer privileges were eliminated and in the case of the lengthy Highland Branch line, a strict zone fare schedule embracing a maximum of 40 cents to downtown Boston was voted. This plan in essence recognized the principle of the longer the ride the greater the fare and, conversely, the shorter the ride the less the rider was required to pay.

The Advisory Board, in an overwhelming formal expression of approval, accepted the MTA's recommendation. The proposal was sent to the Department of Public Utilities for further and final approval. It was estimated the proposed fare structure would bring in approximately \$5.8 million in new revenue.

Subsequently, the D.P.U. conducted a public hearing on the matter. Opposition was shown to be of token value and on October 11, the D.P.U. gave the proposal its stamp of approval. The new fare structure went into effect on October 28, following a blanketing publicity-advertising campaign in which the details of the new fare schedule were explained to the public.

Support for the fare adjustment came from all responsible quarters including the press, the Greater Boston Real Estate Board, various Chambers of Commerce within the metropolitan area and, surprisingly, the public itself.



Abandoned tunnel located at Tremont and Broadway which could be used as a possible bomb shelter.

Civil Defense

Cognizant of the Authority's responsibility to the public and with 1961's worsening international situation as a guide, the Board of Trustees, in September, appointed a Director of the MTA Organization for Civil Defense. Appropriately, the Trustees named one of its family of workers, a retired Air Force Colonel, to head up the organization.

It is estimated that the Authority's subways, tunnels and other underground facilities would provide shelter and a measure of protection for approximately one million persons. No other utility anywhere in this section of the Northeast could possibly provide this kind of blanket protection.

Subsequently, Federal officials came to Boston and looked over the Boston Civil Defense project as it related to the Authority. They were impressed to the extent that a Boston newspaper reported in a headline: "MTA SPEEDS SHELTER PLAN — HAILED BY U.S."

The article further reported that "the Boston plan (for Civil Defense) was farther advanced and far superior to anything under consideration elsewhere."

As the year closed, the Authority's Civil Defense program was moving ahead and the eligibility of the MTA for Federal funds to speed up the project was established.



NEW BUSES *Exterior view of one of the 125 new, colorfully-smart, G.M. buses purchased in 1961.*

New Buses

Still another manifestation of the new look began to appear here and there throughout the Authority during 1961 and was evidenced on the streets over which the Authority operates.

The Board of Trustees and the General Manager, through the Purchasing Department, invited bids in June for one-hundred and twenty-five new diesel buses.

Bids were publicly opened in the General Manager's Office in August; General Motors Corporation was the low bidder and was awarded a contract later on in the month for seventy-five G.M.C. Coaches. An additional fifty coaches were placed on order in October. The orders totalled \$3,287,-493.75.

The first of these new, colorfully smart and operationally efficient vehicles began arriving on Authority property before the year was out. The remainder will be delivered early in 1962.

It was the plan of Management to remove seventy-five over-age gasoline buses and replace

them with new equipment, while the remaining fifty new diesels were earmarked to replace trackless trolleys.

This latter move is in keeping with the plan of Management to take all trackless trolleys out of service. Management feels that the latter vehicle has outlived its usefulness, as it is cumbersome, restricted in maneuverability and virtually useless in bad ice and snowstorms.

The buses are eye-catchers. They are ultra-modern in design with full wrap-around windshields; patrons view the passing scene through large picture windows; interiors are brightly illuminated with fluorescent lighting; fibre glass seats are not only attractive and molded to the human form but they are as near vandal proof as modern engineering will permit and the exterior of the buses are a combination of anodized and painted aluminum, the latter in an attractive tangerine. The roofing is done in Arctic white.

Interior view of one of the 125 newly purchased buses featuring picture windows, fluorescent lighting and fibre glass seats.





SOUTH STATION
The first of the MTA's stations which was totally converted to "Tokens-only" operation and one of the first stations totally repainted and the location of the first new portrait-type advertising signs.

Transportation

The most drastic revisions in the operation of the Metropolitan Transit Authority during 1961, occurred in its most vital department — Transportation.

Aware that he was dealing with a system which resisted any significant change in decades, the General Manager began the first in a series of changes and innovations that must eventually lead to a complete overhauling of the entire system.

In order that patrons may use our system with a greater measure of convenience and comfort, the Authority announced during the year that new escalators were earmarked for Kenmore, Massachusetts, Copley and Mechanics Stations. It is expected that these escalators will be in operation before 1962 runs out.

The public and the press, during the year, noted, for example, these significant changes in service:

Every other train bound for Everett from Forest Hills, during the morning and evening rush hours, was cut back at Sullivan Square. This innovation increased service along the major portion of the line and it was sufficient to care for Everett-bound patrons.

The old, traffic-snarled, Lenox Street car line was discontinued. The Authority substituted bus service, running it from Egleston Square into the heart of Boston, terminating at Kneeland and Washington Streets. Patrons using this line were able to take advantage of the service for a single 10-cent fare, while those wishing to transfer for destinations elsewhere were able to do so via a shuttle service that operated through a section of the central subway between Broadway and Tremont Streets and Boylston Station.

In order to give heavy traffic within the central subway more flexibility and orderly movement, Management turned back Beacon Street cars at Canal Street, and Commonwealth Avenue cars at Park Street.

Formerly, both of these lines ran through to Lechmere Square. As an adjunct to these changes, Management, at the same time, extended the Riverside line through to Lechmere.

As evidence of its willingness to cooperate with the city's business interests, Management inaugurated a Christmas Shoppers Bus Line in the heart of downtown Boston. Unhappily, the service, for reasons not yet fully determined, failed to attract

sufficient numbers of patrons and the service was abandoned.

Conversely, two separate chartered bus services began operating into the downtown area and into the Back Bay section of Boston, both originating at the new, Boston Common Parking Garage.

During the year, Management also began to draw up plans for the elimination of the out-moded trackless trolley. These vehicles began disappearing from the MTA operation and with the arrival of the new diesel buses (see details on "New Buses" elsewhere in the report) the final elimination of the trackless trolleys was given fresh impetus.

Converted from trackless trolley to bus operation were the following lines: Harvard-Massachusetts Station; Watertown-Central Square; Woodlawn-Maverick; Wood Island Station-Maverick (via Lexington Street); Neponset-Fields Corner, and Seaver Loop-Dudley Street.

All trackless trolleys previously operating out of the Eagle Street, East Boston Carhouse, gave way to buses and partial conversion took place on

the line operating out of Clarendon Hill, Somerville and the Park Street, Dorchester Carhouse.

It was in the year 1961 that the Authority's ambitious program of "tokens only" was completed thereby placing revenue collection on a more uniform basis.

Further, the jobs of 27 collectors were eliminated as a result of the new fare adjustment and in connection with the adjustment, all fringe lines which did not touch a rapid transit facility were extended to a rapid transit terminal.

The Authority now owns the following revenue equipment:

602	Buses
306	Trackless Trolleys
155	Main Line Rapid Transit Cars
135	Cambridge-Dorchester Cars
88	East Boston Tunnel Cars
344	P.C.C. Cars
1,630	Total

Safety

The Metropolitan Transit Authority has always been conscious of its responsibility to provide the public with safe operation. As the Boston Elevated Railway Company, it was the recipient of six national awards for safe operation and, as the MTA, continuing efforts have been made to maintain and improve this safety record.

Again in 1961, the Authority compiled an enviable safety record.

The following table reveals the effectiveness of the Authority's safety program in 1961:

	<u>1961</u>	<u>1960</u>	<u>% of Decrease</u>
Total Miles	37,492,844	39,394,031	4.83
Total Accidents	7,459*	8,150*	8.48
Total Accidents per 100,000 Miles	19.89	20.69	3.87
Collision Accidents	2,382	2,880	17.29
% of Collision Accidents to Total Accidents	31.93	35.35	9.67
Collision Accidents per 100,000 Total Miles	6.35	7.31	13.13
Collision Accidents per 100,000 Surface Miles	8.50	9.85	13.71

*Includes accidents reported and no report accidents

As the above table shows, the Authority was able to operate its vehicles with a greater degree of safety than ever before.

As a by-product of this safe operation, the number of accident claims reported against the Authority hit a new all-time low in 1961.

The following table will reveal the effectiveness of the safety program as well as the efficient and the economical operation of the Claim Department:

	<u>1961</u>	<u>1960</u>
Claims Made	5,425	5,755
Claims Settled	3,519	3,423
Claims and Suits Disposed of	4,508	4,468
Total Cost of Claims and Suits Disposed of	\$1,497,284.25	\$1,560,435.95



ARLINGTON STATION A face-lifting project has obviously occurred here. This is Arlington Station in the Central Subway. The backdrop is colorful aluminum siding. It offers an attractive base for new, portrait-type advertising panels framed in aluminum. The result: A more pleasant atmosphere for the rider and more revenue to the Authority from advertising techniques.



CONCESSION IN PARK STREET STATION Here you see a new, revenue-producing concession in Park Street Station, one of the Authority's busiest. The concessionaire sells a variety of quick-snack items at this 80-foot lunch bar.

The New Look



NEWTON CENTRE WAITING ROOM Here a grimy, almost forgotten landmark of the old, Boston & Albany Railroad is given a new look. It is the Newton Centre waiting room, now a part of the MTA's Highland Branch operation. Enterprising MTA officials in charge of concessions rented out this space. The lessee, a clothing store operator, has brightened it up to give it eye appeal and not to be overlooked—more revenue to the MTA.

BAKERY IN PARK STREET STATION Park Street Station is also the site of this new bakery shop. It is an accommodation to pastry-buying customers who have taken to this sheltered, time-saving concession.



Legislation

During the 1961 Legislative Session, the following Bills designed to aid the MTA were filed by the Trustees, they were considered by the Legislature, and acted upon in the following manner:

- Senate 271 — Authorizing the issuance of \$5,000,000 of bonds for the acquisition of new rapid transit cars to replace over-age equipment for the Cambridge-Dorchester line.
Became Chapter 369 of the Acts of 1961
- Senate 366 — Exempting the Authority from taxes on fuels and special fuels used for propelling its vehicles.
Referred by Chapter 36 of the Resolves of 1961 to a study by the Special Commission on Taxation.
- House 1080 — Relative to expenditures for Highland Branch project (increasing limit on expenditures to take care of land damage cases).
Rejected by the House
- House 1081 — Relative to the number of Guards on rapid transit trains operated by the Authority.
Rejected by the House
- House 1388 and House 1389 — Authorizing an increase in children's fares from five cents to one-half the regular fare and reducing the age limit for such fares from 14 years to 11 years.
Became Chapter 382 of the Acts of 1961

Parking

As to the matter of parking, again on the rise in 1961, both in the categories of numbers of cars parked and income to the Authority, a rather strange and interesting paradox is noted.

Although it is an established fact that each year passenger riding on the MTA declines, conversely, each year, the numbers of cars accommodated at MTA parking lots is on the increase.

This tends to indicate that the autoist is not a foregone loss to mass transportation. Rather, it

indicates that the man behind the wheel seeks to use his vehicle for part of the ride in town. He prefers to leave his automobile where parking space is available and board an MTA rapid transit car to ride into the heart of the city.

It obviously appears that area planners must, in blueprinting the transportation character of Metropolitan Boston's future, take into consideration the desire of the autoist to "drive-park-and-ride."

The following table graphically bears out this reasoning:

<i>Year</i>	<i>No. of Cars Using Lots</i>	<i>Rental Income</i>
1955	515,346	\$ 62,433.95
1956	563,027	69,747.22
1957	654,498	81,818.79
1958	711,936	93,103.05
1959	826,965	121,837.57
1960	909,993	159,236.11
1961	952,869	166,732.59

WOODLAND STATION *One of the largest and most popular parking areas located adjoining Woodland Station on the relatively new Highland Branch line. This parking site accommodates 350 cars.*



Purchasing



Bulletin Board for public bids for Authority's materials, supplies, and equipment located in the waiting room of the Purchasing Department at Sullivan Square. Miss Barbara Joyce demonstrating.

Although all departments within the MTA framework operated with more vigor and economy under the direction of the General Manager during the year, perhaps the Purchasing Department, as much as any other, reflected this new approach.

Frequently, critics of the system, often uninformed, take the MTA to task, using the hackneyed, negative expression that the Authority is "deficit-ridden."

It must be of interest to note that this Department's spending — amounting in 1961 to about \$18 million for such varied items as paper clips and rapid transit cars — provided no small transfusion to the area's economy.

The administration of this kind of spending demands efficiency and integrity. These intangibles, the MTA provided.

During the year, more than 2,500 sealed proposals, representing competitive bids, were received, publicly opened, processed and evaluated in the Department. This figure is considerably greater

than the number of proposals received by the Department in any other MTA or Boston Elevated year.

It has been the policy of the Department to request a sealed proposal for the purchase of any item exceeding \$100.00 in cost, if possible.

The Purchasing Department, during the year, was able to bring about these improvements in its operation: Reduction in personnel; reduction in payroll; reduction in paper work; reduction in time to process requisitions and purchase orders; reduction in cost of certain materials and supplies; increase in efficiency; increase in cash discounts; increase in number of sealed proposals.

The Department has inaugurated an open-door policy and any vendor wishing to submit a proposal on his product is given the opportunity to do so. Two bulletin boards have been installed in the Department's lobby and copies of inquiries are posted on these boards for all to see.

Labor Relations *

Distressing as the subject may be, it must be reported that the entire, complex and expensive machinery set up by law and requiring arbitration between MTA Management and MTA Labor was cast aside during 1961 as the result of a "Sick" strike effected by Local #589, the Carmen's Union — the highest paid transportation workers in the country in the combined areas of wages, fringe and collateral benefits.

Events unfolded in this manner: Following lengthy arbitration, the Carmen's Union proclaimed that it had won a legitimate arbitration award. Management contested the Union's claim, and brought the matter into Superior Court.

On January 30, Superior Court Judge Horace Cahill ruled invalid the Union's alleged award and instructed the Union to return to arbitration "in the public interest."

In a matter of hours, the Carmen's Union answered the Judge's findings. They struck. Early in the morning of January 31st, and under the direction of its leadership, the men began reporting "sick" in extraordinary numbers. The Authority was unable to operate.

Quickly, the Governor of the Commonwealth ordered both sides to his office. The men agreed to return to work that afternoon. The system returned to operation and at this point, the Governor sought to bring about a contract settlement which the machinery of the law, because of Union action, was prevented from accomplishing and which the Court had recommended be reached by that very machinery.

Now a new forum for mediation became available to the Carmen's Union. Now the Governor was forced by the men into the role of chief negotiator in the dispute. By virtue of illegal strike, the Union succeeded in bringing their demands before the highest Constitutional Officer in the Commonwealth — the Governor. The Union had succeeded in by-passing the law of the Commonwealth.

Following several days of conferences involving the Governor, his representatives, Union leaders, Trustees, MTA Management Officials, no settlement could be reached.

Sometime thereafter, arbitration proceedings were resumed and came to a close when an award was handed down by the Board of Arbitration in which the Union was to receive a maximum wage rate of \$2.71 an hour beginning on January 1, 1962.

It is further pertinent to note that the Authority has for some time successfully negotiated contracts with 25 other Unions on its properties, negotiations which do not reach the stage of arbitration.

It must be emphasized that what has transpired can happen again. The problem is the personal concern of each and every taxpayer in the fourteen cities and towns which the Authority serves. Illegal transportation strikes must not be permitted to occur ever again in this community. The cost is prohibitive.

The taxpayer, it must be noted, pays for the almost inevitable annual rise in wages and fringe benefits. He and she also must pay for the lengthy and costly periods of arbitration. Even more, the pain becomes all-encompassing on the day that the

Union declares that it is bigger than the law and brings about a work stoppage. On that day, the radiation of inconvenience and cost spreads throughout the fourteen cities and towns and beyond.

Why are members of the Carmen's Union described as the highest paid transportation workers in the nation? They are so described for these reasons: They are covered by Blue Cross and Blue Shield and it costs the Authority \$15.00 a month per employee for family coverage. The employee pays \$5.00.

They receive a paid-up \$3,500 life insurance policy, which costs the Authority \$4.83 a month per employee. It is cost-free to the employee.

They receive benefits of a health and accident insurance policy which guarantees each employee \$40.00 per week to a maximum of 26 weeks. The Authority pays \$5.04 per month per employee. The employee pays nothing.

The Authority matches the employees' retirement contribution which for each employee comes to six percent of his gross annual wages.

Further, the Authority guarantees a full week's pay to any employee who is called for jury duty; also the Authority pays full cost of each man's work uniform. He is entitled to one uniform each year if so required.

Sick leave for the men in 1961 was cumulative to 80 days and this was to be increased to 90 days following the close of the year.

Carmen's Union members receive five weeks' vacation after 25 years' service and their paid holidays, depending on the kind of work involved, is either nine or eleven days per year. They are guaranteed paid holidays, even when the latter falls on their days off.

Finally, each employee is given a pass which permits him to ride free of charge at any time on any of the system's lines. Translated into dollars, this privilege represents a substantial annual savings to the worker.

It is interesting and of considerable economic significance to note that these benefits cost the Authority a staggering \$8,251,208.41 in 1961. Membership of the Carmen's Union comprises approximately 70 percent of all MTA workers.

Further, if one union receives these benefits then in justification they must accrue, where the benefits would apply, to all other workers.

Much has been said, often critically, of morale among the MTA workers. It must be left to the student of labor affairs to determine if such wages and benefits work to down-grade morale. This question must be raised: Does morale tend to decline proportionately as wages and benefits increase?

Also in the area of morale, it is of high significance to note that an infinitesimal number of MTA workers ever leave the employment of the Authority voluntarily. Conversely, each time the Authority announces an examination for employment, thousands of applicants respond.

**(Chairman Daniel Tyler, Jr., was not a member of the Board of Trustees at the time covered by this section of the report, and he disagrees with this section.)*

A Word of Thanks

Co-operation and teamwork — the Board of Trustees happily confess — are responsible for the Authority's accomplishments outlined in this report. Consequently, it behooves the Board of Trustees and Management to express its gratitude to the following, all of whom made these accomplishments possible:

The MTA's family of devoted workers; the Massachusetts General Court and its dedicated leaders; the MTA Advisory Board; the Public

Utilities Commission; the State Treasurer; the Boston College Seminars; the Greater Boston Chamber of Commerce; the Greater Boston Real Estate Board; the Boston Retail Trade Board, and many others.

Also the press, radio and television and the numerous editorial writers and last, but by no means least, the general riding public whose forbearance made possible the many transitions that marked the MTA operation during the year 1961.

Financial Statements

The balance sheet of the Metropolitan Transit Authority at December 31, 1961, related statement of income and cost of the service, and detail of operating expenses for the year ended December 31, 1961, together with notes relating to these financial statements are appended to this report.

Respectfully submitted,
BOARD OF TRUSTEES
METROPOLITAN TRANSIT AUTHORITY

Daniel Tyler, Jr., *Chairman*
Anthony D. Pompeo
William V. Ward

March 28, 1962

METROPOLITAN TRANSIT AUTHORITY

BALANCE SHEET — DECEMBER 31, 1961

ASSETS

FIXED ASSETS (Note A):

Road and equipment	\$118,736,122.25
Miscellaneous physical property	156,223.23
	<u>118,892,345.48</u>
Less — Reserve for depreciation of property and for obsolescence and losses in respect to property sold, destroyed or abandoned (Note B) ..	54,808,423.15
	<u>64,083,922.33</u>
Subways, tunnels and other facilities:	
Acquired from the City of Boston as of August 3, 1949 in accordance with Chapter 544 of the Acts of 1947 as amended by Chapter 572 of the Acts of 1949	40,116,731.95
Constructed by Metropolitan Transit Authority since August 2, 1949 ..	<u>29,660,248.07</u>
	69,776,980.02
Less — Amortization of subways, tunnels and other facilities reimbursed to the Authority (Paragraph (1) of Section 8A of Chapter 544 of the Acts of 1947 as amended and Section (7) of Chapter 649 of the Acts of 1949 as amended), less retirements (Note C)	8,880,195.50
	<u>60,896,784.52</u>
Total fixed assets, less reserve and amortization	<u>124,980,706.85</u>

CURRENT ASSETS:

Cash in banks and on hand (incl. \$314,188.00 deposited for payrolls) ..	2,780,091.32
United States Treasury Bills	5,484,626.26
Special deposits	442,067.54
Commonwealth of Massachusetts — Amounts receivable under Chapter 544 of the Acts of 1947 as amended:	
Assessable deficit — per accompanying statement of income and the cost of the service	\$20,141,843.54
Less — Amount advanced by Commonwealth of Massachusetts in accordance with Section 13A of Chapter 544 of the Acts of 1947 inserted in said Chapter 544 by Chapter 409 of the Acts of 1954 (Note D)	<u>17,000,000.00</u>
	3,141,843.54
Miscellaneous accounts and rents receivable	1,001,002.89
Material and supplies, at cost less reserve	2,198,206.53
Other current assets	88,903.99
Total current assets	<u>15,136,742.07</u>

OTHER ASSETS:

Special deposits available only for:	
Extension of rapid transit facilities in the City of Boston, the Town of Brookline and the City of Newton as provided for by Chapter 450 of the Acts of 1957 and to the extent of \$2,530.09 for studies and estimates of cost for alterations and extensions of rapid transit facilities in connection with Prudential Development as provided for by Chapter 212 of the Acts of 1958, all as provided under Chapter 649 of the Acts of 1949 as amended	317,624.00
Alterations to rapid transit facilities as provided for under Chapter 544 of the Acts of 1947 as amended	298.54
Extension of rapid transit facilities as provided for by Chapter 692 of the Acts of 1945 as amended and to the extent of \$12,521.07 establishing off-street parking facilities, all as provided for under Chapter 544 of the Acts of 1947 as amended	181,917.22
Extension of East Boston rapid transit facilities to Revere and to the extent of \$43,915.90 for studies, preliminary plans and estimates of cost for the extension of the Cambridge Subway, all as provided under Chapter 649 of the Acts of 1949 as amended and effected by Chapter 613 of the Acts of 1952	48,085.50
Mortgage note receivable	159.49
Total other assets	<u>548,084.75</u>

DEFERRED CHARGES AND UNADJUSTED DEBITS:

Prepaid expenses	84,578.90
Unadjusted debits	566,623.87
Total deferred charges and unadjusted debits	<u>651,202.77</u>

TOTAL ASSETS

\$141,316,736.44

(See accompanying notes to financial statements)

METROPOLITAN TRANSIT AUTHORITY

BALANCE SHEET — DECEMBER 31, 1961

LIABILITIES

FUNDED DEBT (all held by Boston Metropolitan District) —	
per accompanying statement (Note E):	
Bond of Metropolitan Transit Authority, dated August 3, 1949, under authority of Section 7A of Chapter 544 of the Acts of 1947 as amended (less \$1,000,000. included in current liabilities below)	\$57,918,371.89
Rapid transit bond of Metropolitan Transit Authority, dated August 3, 1949, under authority of Section 8A of Chapter 544 of the Acts of 1947 as amended (less \$536,259.27 included in current liabilities below)	33,248,074.92
Bond of Metropolitan Transit Authority, dated November 25, 1949, under authority of Section 8A of Chapter 544 of the Acts of 1947 as amended (less \$102,000. included in current liabilities below)	6,324,000.00
Bond of Metropolitan Transit Authority, dated March 1, 1951, under authority of Section 8A of Chapter 544 of the Acts of 1947 as amended (less \$60,000. included in current liabilities below)	3,840,000.00
Bond of Metropolitan Transit Authority, dated March 1, 1951, under authority of Section 6 of Chapter 649 of the Acts of 1949 as amended (less \$13,333.34 included in current liabilities below)	840,000.00
Bond of Metropolitan Transit Authority, dated March 1, 1951, under authority of Section 6 of Chapter 649 of the Acts of 1949 as amended (less \$11,000. included in current liabilities below)	704,000.00
Bond of Metropolitan Transit Authority, dated January 15, 1952, under authority of Section 8A of Chapter 544 of the Acts of 1947 as amended (less \$22,000. included in current liabilities below)	1,430,000.00
Bond of Metropolitan Transit Authority, dated March 1, 1953, under authority of Section 8A of Chapter 544 of the Acts of 1947 as amended (less \$15,000. included in current liabilities below)	990,000.00
Bond of Metropolitan Transit Authority, dated March 1, 1953, under authority of Section 6 of Chapter 649 of the Acts of 1949 as amended (less \$32,000. included in current liabilities below)	2,112,000.00
Bond of Metropolitan Transit Authority, dated March 1, 1954, under authority of Section 6 of Chapter 649 of the Acts of 1949 as amended (less \$10,000. included in current liabilities below)	670,000.00
Bond of Metropolitan Transit Authority, dated July 1, 1958, under authority of Section 6 of Chapter 649 of the Acts of 1949 as amended (less \$55,000. included in current liabilities below)	3,905,000.00
Bond of Metropolitan Transit Authority, dated February 1, 1959, under authority of Section 6 of Chapter 649 of the Acts of 1949 as amended (less \$69,666.67 included in current liabilities below)	5,016,000.00
Bond of Metropolitan Transit Authority, dated September 15, 1960, under authority of Section 8A (j) of Chapter 544 of the Acts of 1947 as amended (less \$19,000. included in current liabilities below)	1,387,000.00
Serial bonds of Metropolitan Transit Authority issued under authority of Section 22 of Chapter 544 of the Acts of 1947 as amended (less \$1,356,000. included in current liabilities below)	15,802,000.00
	<u>134,186,446.81</u>
CURRENT LIABILITIES:	
Funded debt installments payable within one year	3,301,259.28
Accounts and wages payable	2,067,256.40
Accrued interest and rents payable	729,686.94
Accrued Federal old age benefit tax	60,611.93
Unredeemed tickets and tokens	388,597.02
Employee withholdings and other liabilities	577,622.44
	<u>7,125,034.01</u>
Total current liabilities	
UNADJUSTED CREDITS	<u>5,255.62</u>
Commitments: (Note F)	
TOTAL LIABILITIES	<u>\$141,316,736.44</u>

(See accompanying notes to financial statements)

METROPOLITAN TRANSIT AUTHORITY

STATEMENT OF FUNDED DEBT — DECEMBER 31, 1961

(All held by the Boston Metropolitan District)

<u>Note</u>	<u>Issue Date</u>	<u>Term</u>	<u>Maturity Date</u>	<u>Rate</u>	<u>Principal Amount</u>
1	Dec. 1, 1948	15 Years	Dec. 1, 1963	1.75%	\$ 290,000.00
2	Aug. 3, 1949	Fixed	Dec. 1, 2020	(see note)	58,918,371.89
3	Aug. 3, 1949	Fixed	Nov. 20, 2024	(see note)	33,784,334.19
4	Nov. 25, 1949	30 Years	Nov. 25, 1979	2.00%	6,426,000.00
5	Dec. 1, 1949	15 Years	Dec. 1, 1964	1.50%	79,000.00
6	Mar. 1, 1951	30 Years	Mar. 1, 1981	(see note)	853,333.34
7	Mar. 1, 1951	30 Years	Mar. 1, 1981	1.50%	3,900,000.00
8	Mar. 1, 1951	30 Years	Mar. 1, 1981	1.50%	715,000.00
9	Mar. 1, 1951	20 Years	Mar. 1, 1971	1.50%	837,000.00
10	Mar. 1, 1951	30 Years	Mar. 1, 1981	1.50%	2,543,000.00
11	Jan. 15, 1952	30 Years	Jan. 15, 1982	2.10%	1,452,000.00
12	Mar. 1, 1953	30 Years	Mar. 1, 1983	2.75%	1,005,000.00
13	Mar. 1, 1953	30 Years	Mar. 1, 1983	2.75%	2,144,000.00
14	Mar. 1, 1953	10 Years	Mar. 1, 1963	2.50%	112,000.00
15	Mar. 1, 1953	11 Years	Mar. 1, 1964	2.50%	45,000.00
16	Mar. 1, 1953	20 Years	Mar. 1, 1973	2.50%	699,000.00
17	Mar. 1, 1954	30 Years	Mar. 1, 1984	2.30%	680,000.00
18	Mar. 1, 1954	10 Years	Mar. 1, 1964	2.30%	30,000.00
19	Mar. 1, 1954	9 Years	Mar. 1, 1963	2.30%	34,000.00
20	Mar. 1, 1955	15 Years	Mar. 1, 1970	2.00%	139,000.00
21	Mar. 1, 1956	15 Years	Sept. 1, 1970	2.40%	1,170,000.00
22	Mar. 1, 1957	15 Years	Sept. 1, 1971	3.10%	1,390,000.00
23	Mar. 1, 1957	30 Years	Mar. 1, 1987	2.90%	3,315,000.00
24	Mar. 1, 1958	30 Years	Mar. 1, 1988	2.90%	3,537,000.00
25	July 1, 1958	30 Years	July 1, 1988	3.00%	3,960,000.00
26	July 1, 1958	15 Years	July 1, 1973	3.50%	1,080,000.00
27	Feb. 1, 1959	30 Years	Feb. 1, 1989	3.60%	5,085,666.67
28	Sept. 15, 1960	15 Years	Sept. 15, 1975	3.00%	1,146,000.00
29	Sept. 15, 1960	15 Years	Sept. 15, 1975	3.00%	608,000.00
30	Sept. 15, 1960	14 Years	Sept. 15, 1974	3.00%	104,000.00
31	Sept. 15, 1960	30 Years	Sept. 15, 1990	3.50%	1,406,000.00
TOTAL FUNDED DEBT — December 31, 1961.....					\$137,487,706.09
LESS — Payments due in 1962 in current liabilities					3,301,259.28
NET FUNDED DEBT — Payable after 1962.....					\$134,186,446.81

NOTES ON FUNDED DEBT

- Equipment serial bonds. Original issue \$2,175,000. payable semi-annually \$72,000. on June 1 and \$73,000. on December 1. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
- Refunding bond. Original issue \$71,418,371.89 payable \$500,000. each June 1 and December 1 and final installment of \$418,371.89 on December 1, 2020. (Issued under Section 7A, Chapter 544, Acts of 1947 as amended.)
The interest payable on this bond is the interest payable by the Boston Metropolitan District on their contra debt and refunding issues.
- Rapid Transit bond. Original issue \$40,219,445.43 payable in 75 installments of \$536,259.27 on each November 20. This amount is paid by the State to the Authority each November 20 and a like amount is paid by the Authority to the Boston Metropolitan District on the same date in reduction of principal. (Issued under Section 8A (c), Chapter 544, Acts of 1947 as amended.)
The equivalent of interest on this bond is provided for by the Metropolitan Transit Authority Rapid Transit note, dated August 3, 1949, wherein the Authority promises to pay to the City of Boston on behalf of the District, and in its place and stead, the actual interest on City of Boston Transit debt, less income collected on the City's transit debt sinking funds.
- Construction bond. Original issue \$7,650,000. payable \$102,000. annually on November 21 to and including November 21, 1978 and one payment of \$4,692,000. on November 25, 1979. The \$102,000. annual amount is paid by the State to the Authority each November 20 and a like amount is paid by the Authority to the Boston Metropolitan District on each November 21 in reduction of principal. (Issued under Section 8A (j), Chapter 544, Acts of 1947 as amended.)
The interest payable on this bond is the interest payable on Boston Metropolitan District bonds issued to purchase this bond.
- Equipment serial bonds. Original issue \$403,000. payable semi-annually \$13,000. on June 1 and \$14,000. on December 1. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
- Construction bond. Original issue \$1,000,000. dated April 15, 1950 paid March 1, 1951 and renewed for \$986,666.67. (Issued under Section 6, Chapter 649, Acts of 1949 as amended.) 1/75th of the principal amount is payable annually (\$13,333.33 and 34 cents every third year) on March 1 by the Authority to the Boston Metropolitan District and a like amount is paid by the State to the Authority each November 20.
The interest payable on this bond is the interest payable on Boston Metropolitan District bonds issued to purchase this bond.

NOTES ON FUNDED DEBT — Continued

7. Construction bond. Original issue \$4,500,000, payable \$60,000, annually on March 1 to and including March 1, 1980 and one payment of \$2,760,000, on March 1, 1981. The \$60,000, annual principal payment is made by the Authority to the Boston Metropolitan District on each March 1st and a like amount is paid by the State to the Authority on each November 20. (Issued under Section 8A (j), Chapter 544, Acts of 1947 as amended.)
8. Construction bond. Original issue \$825,000, payable \$11,000, annually on March 1 to and including March 1, 1980 and one payment of \$506,000, on March 1, 1981. The \$11,000, annual principal payment is made by the Authority to the Boston Metropolitan District on each March 1st and a like amount is paid by the State to the Authority on each November 20. (Issued under Section 6, Chapter 649, Acts of 1949 as amended.)
9. Equipment serial bonds. Original issue \$1,673,000, payable annually, as follows:
 - \$83,000, March 1, 1952 to 1955 inclusive
 - \$84,000, March 1, 1956 to 1962 inclusive
 - \$83,000, March 1, 1963, March 1, 1966, March 1, 1969
 - \$84,000, March 1, 1964, 1965, 1967, 1968, 1970 and 1971.
 (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
10. Equipment serial bonds. Original issue \$3,817,000, payable annually, as follows:
 - \$128,000, March 1, 1952 to 1955 inclusive
 - \$127,000, March 1, 1956 to 1962 inclusive
 - \$128,000, March 1, 1963, 1966, 1969
 - \$127,000, March 1, 1964, 1965, 1967, 1968
 - \$127,000, March 1, 1970 to 1981 inclusive.
 (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
11. Construction bond. Original issue \$1,650,000, payable \$22,000, annually on January 15, to and including January 15, 1981 and one payment of \$1,012,000, on January 15, 1982. The \$22,000, annual principal payment is made by the Authority to the Boston Metropolitan District on each January 15th and a like amount is paid by the State to the Authority on each November 20. (Issued under Section 8A (j), Chapter 544, Acts of 1947 as amended.)
12. Construction bond. Original issue \$1,125,000, payable \$15,000, annually on March 1 to and including March 1, 1982 and one payment of \$690,000, on March 1, 1983. The \$15,000, annual principal payment is made by the Authority to the Boston Metropolitan District on each March 1 and a like amount is paid by the State to the Authority on each November 20. (Issued under Section 8A (j), Chapter 544, Acts of 1947 as amended.)
13. Construction bond. Original issue \$2,400,000, payable \$32,000, annually on March 1 to and including March 1, 1982 and one payment of \$1,472,000, on March 1, 1983. The \$32,000, annual principal payment is made by the Authority to the Boston Metropolitan District on each March 1 and a like amount is paid by the State to the Authority on each November 20. (Issued under Section 6, Chapter 649, Acts of 1949 as amended.)
14. Equipment serial bonds. Original issue \$562,000, payable annually \$58,000, March 1, 1954, \$56,000, March 1, 1955 to 1963 incl. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
15. Equipment serial bonds. Original issue \$166,000, payable annually \$16,000, March 1, 1954, \$15,000, March 1, 1955 to 1964 incl. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
16. Equipment serial bonds. Original issue \$1,545,000, payable annually \$108,000, March 1, 1954 to 1958, \$102,000, March 1, 1959 to 1961, \$97,000, March 1, 1962 to 1964, \$46,000, March 1, 1965 to 1967, \$45,000, March 1, 1968 to 1973 incl. (Issued under Section 22, Chapter 544, Acts of 1947 as amended. For capital additions or improvements to passenger-carrying rolling stock.)
17. Construction bond. Original issue \$750,000, payable \$10,000, annually on March 1 to and including March 1, 1984 and one payment of \$450,000, on March 1, 1984. The \$10,000, annual principal payment is made by the Authority to the Boston Metropolitan District on each March 1 and a like amount is paid by the State to the Authority on each November 20. (Issued under Section 6, Chapter 649, Acts of 1949 as amended.)
18. Equipment serial bonds. Original issue \$98,000, payable annually \$8,000, March 1, 1955, \$10,000, March 1, 1956 to 1964 inclusive. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
19. Equipment serial bonds. Original issue \$156,000, payable annually \$20,000, March 1, 1955, \$17,000, March 1, 1956 to 1963 inclusive. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
20. Equipment serial bonds. Original issue \$231,000, payable annually \$16,000, March 1, 1956-59-62-65-68-70; \$15,000, March 1, 1957-58-60-61-63-64-66-67-69. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
21. Equipment serial bonds. Original issue \$1,954,000, payable annually \$134,000, September 1, 1956, \$130,000, September 1, 1957 to 1970 inclusive. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
22. Equipment serial bonds. Original issue \$2,082,000, payable annually \$136,000, September 1, 1957, \$139,000, September 1, 1958 to 1971 inclusive. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
23. Equipment serial bonds. Original issue \$3,824,000, payable annually \$127,000, March 1, 1958-59-61-63-65-67-69-71-73-75-77-79-81-83-85-87; \$128,000, March 1, 1960-62-64-66-68-70-72-74-76-78-80-82-84-86. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
24. Equipment serial bonds. Original issue \$3,936,000, payable annually \$137,000, March 1, 1959, \$131,000, March 1, 1960 to 1988 inclusive. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
25. Construction bond. Original issue \$4,125,000, payable \$55,000, annually on July 1 to and including July 1, 1988 and one payment of \$2,475,000, on July 1, 1988. The \$55,000, annual principal payment is made by the Authority to the Boston Metropolitan District on each July 1 and a like amount is paid by the State to the Authority on each November 20. (Issued under Section 6, Chapter 649, Acts of 1949 as amended.)
26. Equipment serial bonds. Original issue \$1,347,000, payable annually \$87,000, July 1, 1959, \$90,000, July 1, 1960 to 1973 inclusive. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
27. Construction bond. Original issue \$5,225,000, payable annually \$69,666.66 and 67 cents every second and third year on February 1 to and including February 1, 1989 and one payment of \$3,135,000, on February 1, 1989. The \$69,666.66 (and 67 cents every second and third year) annual principal payment is made by the Authority to the Boston Metropolitan District on each February 1 and a like amount is paid by the State to the Authority on each November 20. (Issued under Section 6, Chapter 649, Acts of 1949 as amended.)
28. Equipment serial bonds. Original issue \$1,227,000, payable annually \$81,000, September 15, 1961 to 1963 inclusive and \$82,000, September 15, 1964 to 1975 inclusive. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
29. Equipment serial bonds. Original issue \$663,000, payable annually \$55,000, September 15, 1961 to 1965 inclusive, \$40,000, September 15, 1966 to 1974 inclusive and one payment of \$28,000, to be made on September 15, 1975. (Issued under Section 22, Chapter 544, Acts of 1947 as amended. For capital additions or improvements to passenger-carrying rolling stock.)
30. Equipment serial bonds. Original issue \$113,000, payable annually as follows:
 - \$9,000, September 15, 1961, 1963, 1965, 1967, 1969.
 - \$8,000, September 15, 1962, 1964, 1966, 1968, 1970, 1971, 1973.
 - \$7,000, September 15, 1972.
 - \$5,000, September 15, 1974.
 (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
31. Construction bond. Original issue \$1,425,000, payable \$19,000, annually, on September 15, 1961 and each September 15, thereafter to and including September 15, 1990 and one payment of \$855,000, to be made on September 15, 1990. (Issued under Section 8A (j), Chapter 544, Acts of 1947 as amended.)

- 1-5-9-10-14-15-16-18-19-20-21-22-23-24-26-28-29-30
Equipment serial bonds
- 2 Authority vs. District refinancing August 3, 1949
- 3 Subway purchase August 3, 1949 (City of Boston)
- 4 East Boston Rapid Transit, Subway Alterations and Off-Street Parking Facilities
- 6 Tremont Subway Addition (Park St. to Scollay Square — preliminary plans) and Alterations
- 7-11 East Boston Rapid Transit
- 8 Washington Tunnel Extensions (preliminary plans) and Alterations
- 12 East Boston Rapid Transit, Off-Street Parking Facilities
- 13 East Boston Rapid Transit Extension to Revere and Cambridge Subway Extension (preliminary plans)
- 17 East Boston Rapid Transit Extension to Revere
- 25 Highland Branch Extension
- 27 Highland Branch Extension and Prudential Development (preliminary plans)
- 31 Alterations

METROPOLITAN TRANSIT AUTHORITY

STATEMENT OF INCOME AND THE COST OF THE SERVICE

YEAR ENDED DECEMBER 31, 1961

INCOME:

Revenue from transportation	\$35,825,763.91	
Revenue from other operations	902,723.14	
Total operating revenue	36,728,487.05	
Non-operating income	102,774.34	
Total income		\$36,831,261.39

OPERATING EXPENSES:

Way and structures:		
Salaries and wages	\$4,637,489.29	
Other	1,366,258.81	6,003,748.10
Equipment:		
Salaries and wages	2,723,287.40	
Other	1,842,254.24	4,565,541.64
Power:		
Salaries and wages	1,362,229.25	
Other	1,973,752.76	3,335,982.01
Conducting transportation:		
Salaries and wages	24,849,545.69	
Other	861,010.77	25,710,556.46
Traffic:		
Other	12,211.76	12,211.76
General:		
Salaries and wages	2,648,258.05	
MTA retirement fund	2,175,518.81	
Other	5,053,553.04	9,877,329.90
Total operating expenses (including allowance of \$1,200,000.00 for depreciation of property and for obsolescence and losses in respect to property sold, destroyed or abandoned — Note B)		49,505,369.87
Loss before other deductions		12,674,108.48

OTHER DEDUCTIONS:

Taxes assignable to transportation operations	1,117,844.30	
Interest on funded debt (Note E)	3,781,135.37	
Payment on funded debt — B. M. D. (Note E)	2,532,119.48	
Cambridge subway rental	381,963.32	
Other deductions	12,411.39	
Total other deductions		7,825,473.86
Loss resulting from operations		20,499,582.34

PROFIT AND LOSS CREDITS (CHARGES):

Dividend on compensation insurance	350,000.00	
Adjustment of outstanding ticket and token liability	55,000.00	
Premium on funded debt written off	52,738.80	
Adjustment of rental payments under the newsstand and vending machine agreements, for prior years	(100,000.00)	357,738.80
Loss for the Year (excess of the cost of the service over income)		\$20,141,843.54

(See accompanying notes to financial statements)

OPERATING EXPENSES

YEAR ENDED DECEMBER 31, 1961

WAY AND STRUCTURES:

Superintendence	\$ 702,333.38
Maintenance of roadway and track	1,661,000.43
Removal of snow and ice	308,218.79
Tunnels and subways	145,780.52
Elevated structures and foundations	137,057.11
Bridges, trestles and culverts	3,769.73
Crossings, fences and signs	29,604.72
Signals and interlockers	74,852.83
Communication systems	32,456.53
Miscellaneous way expenses	429,894.75
Maintenance of electric line equipment	628,321.12
Maintenance of buildings, fixtures and grounds	1,241,598.15
Depreciation of way and structures	588,000.00
Dismantling retired way and structures	20,860.04
Total way and structures	6,003,748.10

EQUIPMENT:

Superintendence	258,070.79
Maintenance of revenue equipment	2,344,547.07
Maintenance of service equipment	23,471.75
Electric equipment of cars and trackless trolleys	619,416.10
Shop equipment	117,173.00
Shop expenses	857,053.28
Maintenance of automotive and misc. equipment	92,164.24
Depreciation of equipment	252,000.00
Dismantling retired equipment	1,645.41
Total equipment	4,565,541.64

POWER:

Superintendence	174,171.34
Maintenance of power plants	398,300.65
Depreciation of power plants	360,000.00
Other power plant operating expenses	2,004,187.31
Gasoline and fuel oil for buses	399,322.71
Total power	3,335,982.01

CONDUCTING TRANSPORTATION:

Superintendence	3,928,025.86
Passenger car, trainmen and bus operators	13,603,269.25
Miscellaneous car and bus service employees	445,564.49
Miscellaneous car and bus service expenses	260,175.43
Station employees	2,581,083.05
Station expenses	783,116.90
Car house and bus garage employees	2,619,890.37
Car house and bus garage expenses	289,737.75
Operation of signal and interlocking apparatus	691,772.95
Operation of communication systems	30,709.30
Other transportation expenses	477,211.11
Total conducting transportation	25,710,556.46

TRAFFIC (promotion and advertising)	12,211.76
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GENERAL (administrative and other general operating expenses):

Salaries and expenses of general officers	140,495.34
Salaries and expenses of general office clerks	1,356,087.06
General office supplies and expenses	273,650.13
Law expenses	127,168.02
Pensions, retirement fund, gratuities, group health and accident, life and hospitalization insurance	4,009,194.73
Miscellaneous general expenses	213,586.58
Injuries and damages and expenses relating thereto	2,103,912.70
Insurance	892,316.14
Stationery and printing	158,819.26
Store expenses	429,850.13
Service garage expenses and supplies	172,249.81
Total general	9,877,329.90

TOTAL OPERATING EXPENSES	\$49,505,369.87
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METROPOLITAN TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

NOTE A — Fixed Assets

The fixed assets acquired from Boston Elevated Railway Company on August 29, 1947 are carried on the books of the Authority at original cost to the Company as shown on its books as of that date. Additions subsequent to August 29, 1947, including the subways, tunnels and other facilities purchased from City of Boston August 3, 1949, are carried at cost to the Authority, the cost of subways, tunnels and facilities purchased from the City of Boston being measured by the amount of the bond issued therefor.

NOTE B — Reserve for Depreciation

In accordance with the provisions of Section 11 of Chapter 544 of the Acts of 1947 as amended by Section 4 of Chapter 572 of the Acts of 1949, no allowance for depreciation of passenger-carrying rolling stock of the Authority or for obsolescence and losses in respect to such rolling stock after August 2, 1949, is reflected in the accompanying financial statements of the Authority.

On the other hand, as provided by that section (Section 11 of Chapter 544), cost of the service, as reflected in the Statement of Income and the Cost of the Service, includes (1), all sums paid to the Boston Metropolitan District for the year ended December 31, 1961 in reduction or payment of the principal amount of bonds issued by the Authority under Section 7A and Section 22, as amended by Chapter 303, Acts of 1958, as well as (2) such allowances for depreciation of property and for obsolescence and losses in respect to property sold, destroyed or abandoned as is contemplated by said Section 11.

The Reserve for Depreciation of Property, and for Obsolescence and Losses in respect to Property Sold, Destroyed or Abandoned, includes the aggregate of all debt retirement sums paid after August 2, 1949 under the provisions mentioned above, as well as allowance for depreciation of property and for obsolescence and losses in respect to property sold, destroyed or abandoned, except with respect to passenger-carrying rolling stock after August 2, 1949.

NOTE C — Amortization of Tunnels, Subways and Other Facilities

The credits arising from the reimbursement to the Authority by the Commonwealth of Massachusetts for the principal payments made on bonds issued under paragraphs (c) and (j) of Section 8A of Chapter 544 of the Acts of 1947 as amended and Section 6 of Chapter 649 of the Acts of 1949 as amended (discussed in Note E) are considered to provide for amortization of Tunnels, Subways and Other Facilities, and consequently no provision for depreciation thereof is included in the allowance made by the Trustees in the year 1961 for depreciation of property and for obsolescence and losses in respect to property sold, destroyed or abandoned.

NOTE D — Advance Payment Account of Assessable Deficit

Section 13A of Chapter 544 of the Acts of 1947 which was inserted in said Chapter 544 by Chapter 409 of the Acts of 1954 provides that if during any calendar year the Trustees, in their opinion, have not sufficient cash to make the payments required in the course of their management and operation of the transportation system and other properties under their control, the Trustees may, from time to time during such year, certify to the State Treasurer an amount, which together with all amounts previously paid in such year to the Authority under this section, shall not exceed the amount by which the income of the Authority has failed to meet the cost of the service as estimated by the Trustees for that portion of such year which has expired up to the date of such certification; and that the Commonwealth shall thereupon pay over to the Authority the amount so certified; and that such payments shall be treated as payments on account of the deficiency as of the last day of said calendar year.

After certifications by the Trustees, the State Treasurer made three advance payments to the Authority during the year 1961; in May \$7,000,000., in September \$6,000,000. and in December \$4,000,000.

NOTE E — Funded Debt

Section 7 of Chapter 544 of the Acts of 1947 as amended, provided that bonds of the Authority and bonds of the Boston Elevated Railway Company assumed by the Authority should be cancelled at their respective maturity dates, or prior thereto, to the extent that bonds of the Boston Metropolitan District issued to provide funds for the purchase thereof had been retired, or their retirement provided for,

through interest payments made by the Company or by the Authority in excess of the amounts required to pay the interest on the District's bonds. At August 3, 1949, \$26,513,545.11 of such bonds of the District had been retired, or their retirement provided for.

Pursuant to refinancing provisions of Section 7A of Chapter 544 of the Acts of 1947 as amended, bonds of the Authority (other than bonds issued under Section 22 and Section 8A) and bonds of the Boston Elevated Railway Company assumed by the Authority, with an aggregate principal amount of \$97,931,917. were cancelled August 3, 1949 and a new bond for \$71,418,371.89 issued to the Boston Metropolitan District. The principal amount of this new bond was equal to the difference between the principal amount of the bonds cancelled and the \$26,513,545.11 referred to in the preceding paragraph. The new bond is payable in 142 installments of \$500,000. each on December 1 and June 1. The first installment was paid on December 1, 1949, and the final installment, \$418,371.89, is payable on December 1, 2020 (see notes to Statement of Funded Debt attached). Interest is payable on the new bond in amounts equal to the interest on bonds of the Boston Metropolitan District which may be outstanding from time to time.

Payments in reduction of the principal of the new bond of the Authority issued under said Section 7A (\$1,000,000.) and in payment of bonds of the Authority issued under Section 22 of said Chapter 544 (\$1,533,000. reduced by \$880.52 representing unexpended balance in special account of revenue equipment applied in accordance with provisions of Chapter 303 of the Acts of 1958) were included in the cost of the service for the year ended December 31, 1961 as provided in Section 11 of said Chapter 544.

On August 3, 1949, the Authority acquired the subways and other transit properties of the City of Boston under the provisions of Section 8A inserted in Chapter 544, of the Acts of 1947 by Chapter 572 of the Acts of 1949. Reference should be made to said Section 8A for the details of the transaction whereby the Authority on August 3, 1949 issued to the Boston Metropolitan District its bond for \$40,219,445.43 and its note (undertaking to make the payments required of the District on its note to the City) in exchange for District bonds payable to the City of Boston of a like principal amount and a note of the District by which the District undertook, among other things, to pay interest on the City's outstanding transit indebtedness to the extent that such interest exceeded the income of the City's sinking funds available to pay the same, which bonds and note of the District were delivered by the Authority to the City to effect the transfer to the Authority of title to the City's subway and transit properties.

In accordance with the provisions of paragraph (1) of Section 8A of Chapter 544 of the Acts of 1947 as amended and Section 7 of Chapter 649 of the Acts of 1949 as amended, the Commonwealth of Massachusetts is required to pay to the Authority on November 20 of each year after 1949 the amounts previously certified by the Trustees of the Authority as payable by the Authority during such year in reduction of the principal amount of its bonds issued under paragraphs (c) and (j) of Section 8A of said Chapter 544, and Section 6 of said Chapter 649 (for subways, tunnels and other facilities). The amount certified to the Treasurer by the Trustees of the Authority is assessed on the cities and towns constituting the Authority. On November 20, 1961 the Authority received from the Commonwealth of Massachusetts the amount of \$945,259.27 which had been certified by the Authority as payable during the year 1961.

In the Statement of Income and the Cost of the Service for the year ended December 31, 1961, the caption "Interest on Funded Debt" includes: (1) interest accrued during the year on the Authority's bonds issued under Sections 7A, 8A (c), 8A (j) and 22 of Chapter 544 and Section 6 of Chapter 649; and (2) payments actually made during the year to the City of Boston in accordance with the Authority's note to the District issued under Section 8A (c) of said Chapter 544, except that a portion of the amounts paid during the year 1961 under Section 8A (j) of Chapter 544 of the Acts of 1947, as amended, has been considered as applicable to unfinished construction and charged to the fixed asset accounts.

NOTE F — Commitments

At December 31, 1961 the Authority had outstanding firm commitments, totalling approximately \$15,326,000.00, for other additions and improvements to the road and equipment properties; for the purchase of rapid transit cars and buses; and for the addition to and extension of rapid transit facilities.

Of this amount, approximately \$13,900,000.00 will be paid from special deposits established from bond issues made under Section 22 of Chapter 544 of the Acts of 1947 as amended, and Section 6 of Chapter 649 of the Acts of 1949 as amended.

New Building

During the year, some criticism was levelled at the Board of Trustees for negotiating, rather than opening to bidding, a contract for the new MTA office building now under construction in the Arborway yard and scheduled for occupancy in August, 1962.

The Trustees took this action, after careful study and fully cognizant of the criticism that was sure to come, because they felt that they could negotiate a contract more beneficial to the MTA. This, irrespective of criticism, they believe they succeeded in doing. Here are the facts:

Details of the contract disclose that the Trustees' negotiations with the Perini Corporation, call for a completed two-story structure at a contract price of \$1,497,700. The structure is to be 82 feet wide and 368 feet long and the project comprises 72,400 square feet. The cost per square foot: \$20.68.

It is important for the reader to keep his eye on that cost figure of \$20.68. It is important, too, for the reader to compare this square foot cost with comparable costs for structures currently rising in the Boston area and those structures which are planned for location here.

The firm of Desmond and Lord, Architects, which drew up plans for the MTA structure, pointed out in a letter to the General Manager that the new MTA office building, "at a contract

price of \$1,497,700, or \$20.68 per square foot compares very favorably" with the present-day cost of commercial construction.

Once having decided to move ahead with plans for a new building, the Trustees were aware that the element of time was a major factor. Time was costing the Authority \$12,912.31 a month for each month it remained in its Boston Headquarters.

It is interesting to note that annual rental charges for the Authority's intown headquarters rose from \$80,000. in 1923 when the old Boston Elevated Railway Company took up tenancy there to \$154,947.72 for 1961.

Finally, it was important for the Trustees to place a contract with a reputable, professionally proficient firm which has demonstrated that it can do a job, do it well, do it at reasonable cost and complete it on schedule. As the year ended, this project was running ahead of schedule.

Housed in the new structure will be the offices of the Trustees, the General Manager, the General Counsel, the General Attorney, the Treasurer-Comptroller, Purchasing, Transportation Department, Timetable, Employment Office and Clinic, Transit Mutual Insurance Co., MTA Credit Union, and Public Relations. The offices of Rolling Stock & Shops and Engineering Departments will remain in Everett and Sullivan Square respectively.



Artist's conception of the new MTA headquarters when completed. Present plans call for the Authority to take occupancy of this building located in the Arborway yard by August 1.



OFFICE BUILDING *The framework of the new home of the Authority located on the Southwesterly side of the Arborway Yard and diagonally across the street from Forest Hills Station.*